Ministry of
Forests and Range

2008/09
Annual Service Plan Report

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Published by the Ministry of Forests and Range

Message from the Minister and Accountability Statement

While the last year has continued to be challenging for B.C.'s forest industry and the communities and workers who depend on it, we have taken several steps to help ensure the sector has a bright future, while providing short-term assistance to those people and communities who need it most.

In 2008, the Ministry of Forests and Range completed a 90-day regulatory review to streamline red tape thereby reducing costs for forest companies. Through the review, 40 changes were made, including allowing forest licensees to pay their stumpage and annual rents through equal monthly payments to help them manage their cash flow. Lump sum sales are being piloted through BC Timber Sales to develop innovative and more efficient methods of competitively pricing low quality and other timber throughout the province, while ensuring that core forest stewardship objectives are achieved.

Since launching the $26.25-million Job Opportunities Program last spring, 1,880 forest workers have been provided short-term employment on projects that make our communities safer whether through recreation site and trail maintenance and upgrades or fuel management projects.

In March, after holding meetings in 19 communities around the province and reviewing over 250 submissions, the Working Roundtable on Forestry released its final report. The report's 29 recommendations are designed to support a vision for "a vibrant, sustainable, globally competitive forest industry that provides enormous benefits for current and future generations and for strong communities."

Also in March 2009 the Ministry released a vision and action plan for furthering manufacturing that promotes the use of "wood first" in everything from new building construction to a bio-energy fuel source.

The Ministry has also released a discussion paper, Growing Opportunities: A New Vision for Silviculture in B.C. The intent of this discussion paper is to solicit input on a new vision to guide silviculture on public forest lands and make British Columbia a world leader in growing trees. Input will be accepted until September 30, 2009 through the following online website: www.for.gov.bc.ca/hfp/silviculture/discussion_paper/

While in China in November 2008, I saw first-hand the expansion of the use of B.C.-designed wood truss roofing systems in addition to securing 83 million board feet in new orders for B.C. wood products. The Shanghai government formally approved the use of this system as part of its plan to renovate 10,000 city apartment buildings in the lead-up to World Expo 2010.

During these challenging times the key to success is for all forestry stakeholders to continue to work together and find opportunities to support the forest industry.

In June 2009, I became Minister responsible for the Integrated Land Management Bureau. In 2008/09, the Bureau was restructured as its governing Board of Directors took on a leadership role in creating a new sustainable business model, consolidating the Bureau's role as a coordinating body for B.C.'s natural resource services and information. Over the past year, this has led to increased efficiencies in the natural resource sector and to numerous successes on private sector projects involving public agencies.

A critical success was the implementation of an ecosystem-based management system for coastal B.C., led by the Bureau. The Province achieved its target to establish this management system by March 31, 2009, as committed to in the February 2006 Coastal Land Use Decision. The ecosystem-based management system covers 6. 4 million hectares and balances the needs of the environment with sustainable resource development and a strong economic future for B.C.'s coastal communities.

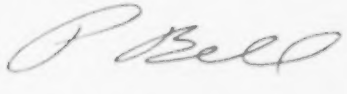
Another leadership role taken by the Bureau is in coordinating consultations and engagement with First Nations. Consistent with the New Relationship, the Bureau worked with partner agencies and entered into discussions on 10 Strategic Engagement Agreements with First Nations. This new type of agreement will provide a more efficient system for engaging First Nations on natural resource issues, moving towards greater economic self-sufficiency for them.

The Bureau also established an Independent Power Project Office to respond to the increases in independent power project applications generated by the *BC Energy Plan* and government's climate change initiatives. The inter-agency team responsible for the creation of this office received a gold Premier's Award for Cross Government Integration.

GeoBC, part of the Bureau, has solidified its reputation as the "go to organization" for geographic information in British Columbia. GeoBC's geographic database is relied on by tens of thousands of people to support businesses and critical land-based decisions. In the past year GeoBC staff provided support for diverse projects including new Incremental Treaty Agreements with First Nations, a 2010 Olympic Data Atlas, the Coroner's Service of B.C. and the Sea-to-Sky landslide.

I expect both the Ministry of Forests and Range and the Integrated Land Management Bureau will continue to build on past successes during the next year.

The *Ministry of Forests and Range 2008/09 Annual Service Plan Report* compares the actual results to the expected results identified in the Ministry's *2008/09 - 2010/11 Service Plan*. I am accountable for those results reported.



Honourable Pat Bell
Minister of Forests and Range and
Minister Responsible for the Integrated Land Management Bureau

July 22, 2009

Introduction to the Annual Service Plan Report

This annual service plan report provides the results for the work performed in 2008/09 by the Ministry of Forests and Range and the Integrated Land Management Bureau:

- Part A presents the Ministry of Forests and Range *2008/09 Annual Service Plan Report*.
- Part B presents the Integrated Land Management Bureau *2008/09 Annual Service Plan Report*.

Table of Contents

Message from the Minister and Accountability Statement **3**

Introduction to the Annual Service Plan Report **5**

PART A: Forests and Range

Highlights of the Year **9**

Purpose of Ministry **11**

Strategic Context **13**

Report on Performance **15**

Performance Plan Summary Table 15

Goals, Objectives, Strategies and Performance Results 16

Report on Resources **25**

Resource Summary Table 25

Forest Practices Board **27**

Hyperlinks to Additional Information **28**

Ministry Contact Information **29**

PART B: Integrated Land Management Bureau

Highlights of the Year **31**

Purpose of the Bureau **34**

Strategic Context **36**

Report on Performance **37**

Performance Plan Summary Table 37

Goals, Objectives, Strategies and Performance Results 38

Report on Resources 46

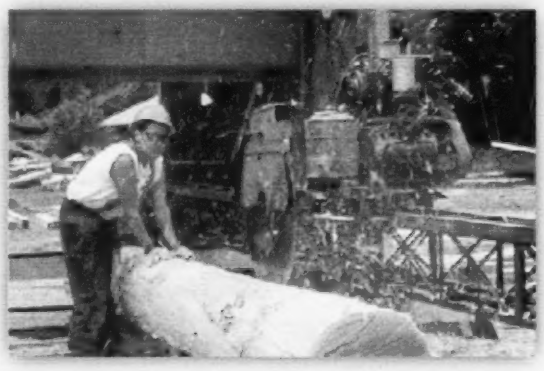
Bureau Resource Summary Table 46

Bureau Contact Information 48

Section A: Ministry of Forests and Range

Highlights of the Year

- **First Nations:** The Ministry and First Nations have negotiated 21 Forest and Range Agreement extensions, 12 new Forest and Range Opportunity agreements and 15 Direct Award agreements that provide forest tenure and revenue sharing opportunities. The First Nation Forest Strategy contributes to the goals of the New Relationship and supports government's and First Nations' goals to close the socio-economic gap between First Nations and the rest of British Columbians.



- **The Coastal Forest Action Plan:** Established in October 2007, the plan lays out government's vision for a competitive coastal forest industry and prosperous communities. In 2008/09, significant progress to implement the plan included: research and development focusing on new markets; products and opportunities for hemlock and balsam tree species; a hardwood management strategy; increased tree and site productivity through fertilization of 11,300 hectares; and, the establishment of a pulp and paper sector forum to focus on increased competiveness through improved fibre supplies.

- **North West Strategy:** Announced in 2007, the North West Strategy Silviculture Program provided a welcome opportunity to silviculture contractors to enhance timber growth, increase stand value and shorten the harvesting rotation in forests located south of Prince Rupert to Hazelton in the east. In 2008/2009, accomplishments included 637 hectares of spacing and 511 hectares of treatment area development. Shortened rotation ages achieved through spacing of productive second growth stands in the northwest will help mitigate mid-term timber supply impacts across the region resulting from the mountain pine beetle epidemic.

- **Ecosytem-Based Management:** On March 31, 2009 the Province met its commitment to establish an Ecosystem-Based Management system for coastal B.C. The Province committed to implementing Ecosystem-Based Management as part of the historic Coast land use decisions encompassing the North and Central Coast plan areas. The decisions called for new protected areas and logging regulations which balance the needs of the environment with the need for sustainable jobs and a strong economic future for coastal communities. The decision also called for government-to-government land use agreements with First Nations.

- **Sharing Wildfire Knowledge and Expertise:** International demand for British Columbia's wildfire expertise continues to grow each year. In response to Australia's devastating 2008/09 fire season the Ministry sent nine fire specialists to assist in battling wildfires that swept across the State of Victoria. The Ministry also sent 44 forest firefighters and specialists plus six aircraft to California to help the state respond to wildfires in its northern region.
- **Reforestation:** Since 2005 over 7,000 hectares have been planted, seedlings have been sown to plant a further 15,000 hectares, and more than 40,000 hectares of non-susceptible forests have been fertilized to increase future timber volume as a partial replacement of tree growth lost to mountain pine beetle. In 2008, British Columbia planted its 6 billionth tree seedling. The Government is pursuing a goal of zero net deforestation by 2015.
- **Forest Safety:** As part of the Ministry of Forests and Range's commitment to improve safety for forest workers, BC Timber Sales has now achieved SAFE (Safety Accord Forest Enterprise) company certification from the BC Forest Safety Council. BC Timber Sales also requires firms bidding on fieldwork contracts and those directing or employing workers on timber sale licences to be SAFE Company certified.
- **Planning:** Several plans and strategies were developed in 2008/09 including the Working Roundtable on Forestry report, the vision and action plan for further manufacturing and the silviculture discussion paper. These will provide important direction and guidance for the Ministry's ongoing activities.

Purpose of the Ministry

The Ministry of Forests and Range, also known as the Forest Service, is the main agency responsible for protecting the public's interest and providing leadership in the protection, management and use of the province's forest and rangelands. More than 90 per cent of British Columbia's forest and range lands are publicly owned and managed by the provincial government on behalf of the public.

The Ministry has a mandate to manage and conserve forest and range resources for short and long term socio-economic benefits, to protect and sustain forest and range productivity, to encourage competitive forest and range industries, and to set and manage the collection of revenue from the use of public forests and rangelands.

A Proud Tradition of Service Since 1912

The Ministry pursues its mandate and goals in a consultative manner with the public, forest and range industries and other Crown agencies, while recognizing the unique interests of Aboriginal people. The pursuit of its mandate is enabled by a decentralized organizational structure that brings the Ministry close to its clients and stakeholders throughout the province.

Ministry Vision

Diverse and sustainable forest and range values for British Columbia.

Forest and range values in the Ministry's vision statement refer to the social, economic and environmental values associated with our forest and range resources. The environmental values including soil, water, fish, biodiversity, and wildlife, form the basis for the economic and social values. Economic values include timber and forage resources that contribute to our economy. Social values include recreation resources, visual quality, resource features such as karst and hoodoos, and cultural heritage resources. Collectively, these values contribute to the livelihood and recreation of many British Columbians, as well as support all British Columbians through the Crown revenue collected.

The Ministry of Forests and Range plays an important role in the B.C. Government's response to the mountain pine beetle epidemic and is working with a number of other provincial ministries and with the federal government to mitigate the negative environmental and socio-economic impacts of the infestation while recovering the greatest economic value possible from affected forests and protecting public health, safety and infrastructure. The Ministry is also working directly with the Ministry of Community and Rural Development in the delivery of the Job Opportunities Program, which was established to create opportunities for forest workers, their families and their communities.

The Ministry also has a significant role in supporting the Ministry of Environment on Government's response to climate change, including a Future Forests Ecosystems Initiative to adapt B.C.'s forest management framework in light of a changing climate.

As of June 2009, the Integrated Land Management Bureau is accountable to the Minister of Forests and Range and its annual reporting information is presented in Part B of this report.

Strategic Context

Socio-Economic Trends

In 2008 the B.C. forest sector felt the impact of the global economic downturn and continued to experience one of the worst cyclical downturns in its history. Producers were hurt by the weak U.S. housing market in the wake of the sub-prime mortgage crisis, historically low lumber prices, currency fluctuations and tight credit markets.

B.C. Forest Sector Trends in 2008

- **Timber harvest ↘**
- **Forestry employment ↘**
- **Forest product exports ↘**
- **Lumber production ↘**
- **Lumber prices ↘**
- **Pulp prices ↗**

In British Columbia, forestry represented 4.8 per cent of the province's total gross domestic product (GDP) in 2008, down from 6.8 per cent in 2007. Forestry directly supported 64,900 jobs in over 100 communities in 2008, down 23 per cent from 2007. Nearly four dozen mills have closed permanently or indefinitely in B.C. since 2007, impacting about 10,000 mill workers.

The mountain pine beetle epidemic has permanently changed the forest sector in the province's interior region. Since the late 1990s beetles have killed over 620 million cubic metres of lodgepole pine covering over 130,000 square kilometres, an area four times the size of Vancouver Island. There are 68 municipalities, 103 First Nations and numerous rural settlements in the epidemic region, all of which depend on forestry.

As the mountain pine beetle spread throughout the Interior, industry and government continued to seek new uses for the affected wood. Bio-energy opportunities, such as making pellets out of wood, continued to be actively explored. In 2008, the number of pellet plants grew to nine, with one new plant opening. Ninety-eight per cent of the pellet production is exported.

B.C. forest product exports declined in 2008 to an 11-year low of $10 billion, down 18 per cent from 2007. The U.S. remained the dominant market for B.C. lumber, followed by Canada (including B.C.) and Japan. U.S. housing starts totalled 903,000 down 56 per cent from the peak of two million in 2005. Tied to this decline in housing starts, lumber shipments to the U.S. were less than seven billion board feet in 2008. Exports to China were 545 million board feet in 2008, tripling since 2006.

China continued to be the biggest market for B.C. pulp accounting for about 32 per cent of B.C.'s pulp exports in 2008. Pulp and paper accounted for 46 per cent of total forest products exports from B.C. in 2008, and average pulp prices in B.C. rose almost eight per cent over 2007. About 53 per cent of total B.C. newsprint exports in 2008 went to the U.S.

Forestry remained B.C.'s most important goods producing industry accounting for 30 per cent of the total value of B.C.'s total goods.

Return on capital employed, which is a key indicator of industry's financial health and profitability, continued to decline. In 2005 the B.C. forest industry returns were 4.1 per cent, in 2006 it fell to -1.8 per cent (for the B.C. Interior industry). In 2007 Canadian producers had the lowest average return on capital employed at -0.1 per cent (as compared to Latin America at 7.8 per cent, developing Asian countries at 7.3 per cent and the U.S. at 5.5 per cent), all below the industry target of 10-12 per cent to be competitive in capital markets.

Commodity markets experienced substantial volatility in 2008, with the values of most commodities plunging. Lumber prices trended downwards in 2008 due to lower demand in both the U.S. and Japanese markets for western spruce-pine-fir 2 x 4s and cedar. The price for hemlock baby squares, a key coastal lumber product used in traditional Japanese housing, remained fairly steady after the middle of 2008.

Environmental Trends

In Canada, there has been no significant change in the total forest area over the last 15 years. In B.C., less than one half of a per cent of the forest is logged each year. The B.C. timber harvest was 62 million cubic metres in 2008, down 18 per cent from 2007.

Addressing potential long term environmental challenges in our forests and rangelands due to climate change continued to be a key focus of work at the provincial, national and international levels. B.C. continued its commitment in 2008, through the Ministry's Future Forest Ecosystem Initiative, to work to adapt its forest management framework to manage for ecological resilience.

The cumulative area of BC affected by the mountain pine beetle was estimated at 14.5 million hectares in 2008, an increase of 7.4 per cent from 2007. The amount of habitat available to the beetle began to diminish starting in 2007 as the beetle had already attacked most of the mature lodgepole pine in the Central Plateau region. In other areas, the rate of beetle attack spread started to slow due to the diversity of terrain and tree species.

In B.C. about 85 per cent of the rangelands used by the ranching industry are owned by the Crown. In 2008 rangelands continued to be challenged by water and forage shortages, invasive plant species, as well as by human disturbances such as unauthorized vehicle impacts. In 2008/09 invasive plant populations continued to expand, most notably in riparian habitats, at higher elevations, and in those areas affected by the mountain pine beetle. A few invasive plant species began to decline in density due to successful containment and biological control programs.

Report on Performance

This year's annual report is based on the 2008/09 Ministry of Forests and Range Service Plan which included five measures in total. However, in June 2008, the coordination of the Provincial Government's response to the mountain pine beetle epidemic shifted to the Ministry of Community and Rural Development. The performance measure: "per cent of mountain pine beetle impacted communities covered by a mountain pine beetle socio-economic adjustment plan" was therefore transferred out of the Ministry of Forests and Range and will be reported on by the Ministy of Community and Rural Development for 2008/09.

Performance Results Summary Table

Goal 1: Sustainable forest and range resources For greater detail see pages 16 to 21	**2008/09 Target**	**2008/09 Actual**
Obj. 1.1 Well managed, healthy, productive forest and range resources.		
Per cent of wildfire contained at less than four hectares	92%	92.8% ACHIEVED
Ratio of area reforested to area harvested or lost to fire and pest	0.82	0.78 NOT ACHIEVED
Per cent of forest operators' compliance with statutory requirements that regulate forest practices	94%	89.4% SUBSTANTIALLY ACHIEVED
Goal 2: Sustainable socio-economic benefits from forest and range resources For greater detail see pages 21 to 24	**2008/09 Target**	**2008/09 Actual**
Crown forest and range gross revenue ($ billions)	0.939	0.583 NOT ACHIEVED

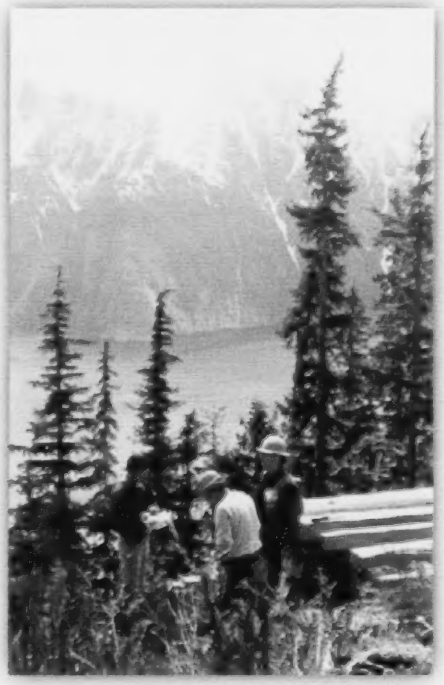
Goals, Objectives, Strategies and Performance Results

Goal 1: Sustainable forest and range resources

Objective 1.1: Well managed, healthy, productive forest and range resources

This objective underscores the results the Ministry seeks to achieve that will ensure forest and range resources are sustainable in the long term.

- Well-managed resources result from the effective regulation of forest and range practices, compliance and enforcement of laws, the determination of sustainable harvest levels, the effective allocation, administration and management of range and timber tenures, and maintenance of a safe and environmentally sound forest road network.
- Healthy ecosystems are those which are protected from unwanted wildfire and pest outbreaks, and where invasive plants, endemic insects and disease are managed.
- Ecosystem restoration and reforestation ensure that land and timber productivity and carbon sequestration are restored or maintained. The Ministry leads provincial rangeland restoration activities and enhances forest productivity through silviculture, forest gene resource management, and both applied and long-term research.



Strategies

- Continue to manage impacts on forest and range resources from the mountain pine beetle epidemic.
- Develop a vision for new ways to manage Interior forests after the mountain pine beetle epidemic.
- Increase cross-agency collaboration and alignment on land use planning, research and resource management.
- Adapt British Columbia's forest and range management practices to a changing climate.

Performance Results

Three key measures of well managed, healthy productive forest and range resources are fire protection, reforestation, and forest operator compliance with resource management laws. All three measures are commonly used in other Canadian jurisdictions.

Performance Measure	2002/03 Baseline	2006/07 Actual	2007/08 Actual	2008/09 Target	2008/09 Actual
Per cent of wildfire contained at less than four hectares (on a five year rolling average)	93%	92%	92%	92%	92.8% ACHIEVED

Data Source: Fire Reporting System

Discussion of Results

This is a measure of the Ministry's success rate for initial attack on wildfires, as an estimate of fires less than four hectares in final size. If fire size is kept to less than four hectares, damage and costs for fire suppression are minimized.

In 2008/09 there was minimal variance from the target. B.C. has the highest average number of fire starts in Canada at 1,848 per year (based on a 10 year average as at 2007). Alberta and Ontario, with 1,384 and 1,370 respectively, also track success of initial wildfire attack. Alberta's most recent published target is 94 per cent (in 2006). The last published data for Ontario show an initial attack success rate of 95 per cent in 2006, which was one per cent under their target of 96 per cent. While the information cannot be compared directly year to year, it appears that all three jurisdictions target and achieve initial wildfire attack success rates between 90 and 96 per cent. Differences in land ownership, policy, access, forest type and climate conditions account for the six per cent variation.

Performance Results

Performance Measure	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Target	2008/09 Actual
Ratio of area reforested to area harvested or lost to fire and pest (unsalvageable losses)	0.94	0.90	0.83	0.82	0.78 NOT ACHIEVED

Data Source: This ratio uses data from the past five years (a five-year rolling average), submitted by licensees and the Ministry, to RESULTS (Reporting Silviculture Updates and Landstatus Tracking System). Data are submitted, according to legislated requirements, before June 1st each year for the previous year ending March 31st. The detailed information used to calculate the ratio is found in: Table 1: Changes in Not Satisfactorily Restocked Crown Land, posted at www.for.gov.bc.ca/hfp/silviculture/statistics/statistics.htm

Discussion of Results

The ratio of area reforested to area harvested or lost to fire and pest is a high level indicator of stewardship and restoration of forest resources and ultimately, of sustainable forest productivity. A ratio of 1.0 indicates areas being reforested are in balance with those being harvested or lost to fire and pests. A ratio of less than 1.0 reflects a trend towards increased Not Sufficiently Restocked area with more productive area being harvested or lost to fire and pest than reforested.

The ratio combines all Crown land areas to be reforested. This includes:

- Areas under licensee basic silviculture obligations.
- Surveyed areas where there is no basic silviculture obligation including those resulting from unsalvageable fire and pest losses, and areas of backlog reforestation. These areas are addressed as funding is available through the Forest Investment Account and the Forests for Tomorrow Program.

The 2008/09 ratio is slightly lower than the forecasted ratio due to several factors:

- The actual harvest area for 2008/09 was 46,000 hectares higher than the forecast harvest area used to develop the performance measure for the Service Plan. In addition, the area that is Not Sufficiently Restocked from natural and plantation failures has increased by 13,000 hectares.
- Silviculture surveys were carried out on areas impacted by the mountain pine beetle and which were not a BCTimber Sales or industry obligation to reforest. The surveys identified an additional 8,000 hectares of Not Sufficiently Restocked area over and above the estimate

used for the 2008/2009 Service Plan. The Forests for Tomorrow Program and other government programs (e.g., Forest Investment Account), provide opportunities for funding the subsequent treatments for this type of area where industry is not obligated to do so.

- The actual planted and naturally regenerated area for 2008/09 was 54,000 hectares higher than the forecast regenerated area used to develop the performance measure for the Service Plan. However, the resultant impact on the actual ratio is insufficient to elevate the ratio higher toward the target ratio. This is due to the 2008/2009 silviculture surveys finding an increase in plantation failures and additional Not Sufficiently Restocked area on mountain Pine beetle impacted areas.

Ministry Response

Key trends and specific strategies planned to achieve this performance objective:

- Licensees are legally required to reforest the areas they harvest. However, given current economic conditions, licensees may delay planting on some sites and allow for more natural regeneration on other sites. This will impact the ratio of reforestation to harvest on industry obligation areas in the short term. This will potentially further reduce the overall ratio of reforestation to harvesting, until economic conditions improve. The Forests for Tomorrow Program is ramping up its survey program in areas affected by mountain pine beetle and on small scale salvage areas; therefore, additional area may be added thus further impacting the ratio.
- The Forests for Tomorrow Program funds planting programs on mountain pine beetle and fire impacted areas. This will have a positive impact on eliminating some of Not Sufficiently Restocked area.

Performance Results

Performance Measure	2001/02 Baseline	2006/07 Actual	2007/08 Actual	2008/09 Target	2008/09 Actual
Per cent of forest and range operators' compliance with statutory requirements that regulate forest and range practices	90%	94%	94%	94%	89.44% SUBSTANTIALLY ACHIEVED

Data Source: Ministry of Forests and Range Compliance Information Management System.

Discussion of Results

This is a measure of how well forest and range operators are complying with the statutory requirements that regulate forest practices. It is an indicator of operator achievement in meeting their statutory obligations, rather than a targeted objective of the Ministry in promoting

compliance and enforcing obligations. This measure was selected as an indicator of the performance of forest and range operators and the effectiveness of the Compliance and Enforcement Program in providing deterrents which are key to the outcome of sustainable forest resources.

The measure is required to highlight the risk based focus of the Compliance and Enforcement Program. Prevention of non-compliance through these inspections meets the sustainable forest and range resources goal of government.

Forest and range operators are all industry (major and small business) licensees. Compliance is with the *Forest Practices Code of B.C. Act, Forest Act, Wildfire Act and the Forest and Range Practices Act* and their associated regulations.

This indicator measures the number of inspections completed that lead to a determined[1] or prosecuted enforcement action versus the number of inspections completed. The sites inspected are assessed for environmental, social and or economic risks. In 2008/09, efficiencies in inspections were gained by focusing on higher risk sites and continuing staff training. In addition, attention to quality assurance to improve the consistency of inspections recorded in the Compliance Information Management System was enhanced.

Ministry Response

The baseline was set at 90 per cent in 2001/02 using existing data, which was the first year that the Compliance and Enforcement Program was restructured as an independent and integrated organization within the Ministry. The target was set slightly higher than the baseline to promote continuous improvement toward higher standards. The target does not include inspections where compliance actions are taken and where the impact or significance of alleged contraventions is identified as low.

The reasons for the results showing a lower value than previous years are:

- There was a marked increase in the number of sites that reached the late Free Growing date and past silviculture practices resulted in a higher number of non-compliance actions.
- Shifting priorities required realignment of resources during the past year. As a result there was more attention given toward higher risk activities and operations. As new and smaller tenures are deemed a higher risk the increase in the ratio of high risk sites inspected resulted in a higher ratio of non-compliance actions.

[1] A determined action is one that has gone through an less costly administrative judgement process—similar to an alternative dispute resolution process—where a remedy can be specified.

As this measure is as an indicator of trends rather than a direct measure of Ministry performance, future work will explore development of a measure that more accurately portrays the work ministry staff are doing to support industry compliance.

Goal 2: Sustainable socio-economic benefits from forest and range resources

To sustain the socio-economic benefits from forest and range resources for the foreseeable future, competitive forest and range industries are required. The revenue that accrues to Government from these competitive industries contributes to a healthy economy generating revenue in support of all British Columbians.

Gross revenue from Crown forest and range industries is a measure of the benefit that the public receives from use of its forest and range resources.

Performance Results

Performance Measure	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Target[1]	2008/09 Actual
Crown forest and range gross revenue ($ billions)	$1.154	$1.181	$1.088	$0.939	$0.583 NOT ACHIEVED

Data Source: Ministry of Forests and Range Harvest Billing System.

[1] Targets are set by the Ministry of Finance and continuously updated throughout the year. Since tabling the 2008/09 Service Plan, the 2008/09 target of $0.926 (billion) was revised downward to $0.597 (billion) in January 2009, which the Ministry of Forests and Range under achieved.

Discussion of Results

The total amount of forest and range gross revenue collected by the Government of British Columbia during each fiscal year includes stumpage and other revenues from timber tenures, BC

Timber Sales, range use and other Ministry non-forestry revenues. The Softwood Lumber Agreement came into effect October 12, 2006 and gross revenue forecasts from this date forward include the "Softwood Lumber Border Tax."

During 2008/09, the Crown forest and range revenues (and associated harvest volumes) were significantly below the target due to the direct impact of the global/North American economic downturn which encompassed an unprecedented decline and collapse in the U.S. housing market. The reduced housing demand resulted in significantly lower prices for lumber and other forest products. Stumpage revenue declined considerably with the increased harvest proportion of low value mountain pine beetle timber harvest volumes in the Interior.

The 2008/09 revenue (and harvest volumes) was down sharply from the original target for the year and it was well below the Ministry's historical revenue performance benchmark range of $900 million to $1.3 billion (over the past eight years). The global/North American economic downturn, along with decreased U.S. housing starts and credit rationing will continue to materially affect the Crown timber harvest in B.C. and the associated revenue. This downturn is expected to be more significant and prolonged than previously anticipated, with only modest recovery likely to occur in late 2010/11.

Ministry Response

As the 2008/09 year progressed, the Ministry of Forests and Range completed several revised forecasts which ensured that all aspects of the changing key revenue drivers (i.e. lumber and forest products markets; Canadian and U.S. currency fluctuations; and other factors impacting stumpage revenues, such as the mountain pine beetle infestation) were continually monitored and incorporated into the revenue revisions. These revised revenue forecasts reflected the significant market volatility experienced in 2008/09.

Objective 2.1: Fair market value for the use of public forest and range resources

The Ministry has a legislative responsibility to assert the financial interests of the Crown in its forest and range resources in a systematic and equitable manner. The revenue collected from the use of public forest and range resources becomes available to fund government priorities each year. In this way public forests contribute to the overall health, education and wellbeing of all British Columbians.

The Ministry continually reviews and modifies revenue policies and procedures to ensure that fair value is received. New market-based pricing systems were introduced on the Coast in 2004 and in the Interior in 2006.

BC Timber Sales, a division of the Ministry, markets Crown timber to establish market price. Since March 2008, 20 per cent of provincial allowable annual cut has been auctioned through BC Timber Sales. More details of the BC Timber Sales' goals, objectives, performance measures and

strategies are available in the 2008/09 BC Timber Sales Service Plan available on the Ministry's website at: www.for.gov.bc.ca/bcts

Challenges associated with achieving the target include:

- BC Timber Sales ability to establish a market price can be impacted by sales and harvest levels, which in turn are influenced externally by the number of bidders and market conditions.
- Forest crimes including theft and fraud related to timber pricing. These are mitigated through the Ministry's Compliance and Enforcement Program.

Strategies

- Monitor and enhance market-based pricing systems for the Coast and Interior.
- Enhance systems and processes to ensure complete, timely and accurate pricing and billing.

Objective 2.2: Conditions that promote safe and competitive forest and range sectors that contribute to sustainable forest and range based economies

Competitiveness is supported by an environment that encourages investment. This in turn is supported by the government working toward certainty on the land base and ensuring regulation and policy support competitiveness.

Forestry Innovation Investment Ltd.

A Crown agency that leads work to expand and maintain international markets and supports innovation and research in forest product development. More details can be found in the FII Ltd. Annual Report at:

www.bcfii.ca

The Ministry works with the federal government and industry associations on international and trade agreements such as the 2006 Softwood Lumber Agreement. The Ministry also works with Forestry Innovation Investment Ltd., a provincial crown agency, on market access and acceptance issues to build new markets and grow existing markets for B.C. forest products. In 2008/09 the Ministry developed a forests component to government's bio-energy strategy.

Many rural B.C. economies are dependent on healthy and competitive forest and range industries. These in turn provide employment, community investment and other socio-economic benefits to British Columbians. With many First Nations living in forest based communities, the government continues to promote opportunities for First Nations' participation in the forest and range sectors.

Challenges associated with achieving the above objective include:

- Macro economic considerations such as commodity prices and exchange rates.
- Trade-offs between socio-economic benefits. Two examples of trade-offs are (1) balancing maintenance and improvements to the forest road network between industrial, commercial and public access, and (2) balancing the economic interests of First Nations, industry and other stakeholders.

Strategies

The following strategies were utilized to support Ministry priorities in this area:

- Encourage research, industry innovation, quick adaptation, and development of marketing strategies, as well as improved communication of customer needs with industry.
- Support development and implementation of the B.C. beef industry strategy.
- Continue to develop and improve a framework for managing safety in the forest sector.

Report on Resources

The Ministry of Forests and Range is reporting a $52.903M surplus in 2008/09. The surplus, for the most part, is due to an accounting presentation change for BC Timber Sales. In 2008/09 the Ministry received statutory appropriation for $25.970M for increased fire activity, $3.0M for a BC Timber Sales adjustment and $0.477M (and 6 FTEs) were transferred to the Ministries of Community and Rural Development and Housing and Social Development as part of the government reorganization.

Resource Summary

	Estimated[1]	Other Authorizations[2]	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Forest and Range Resource Management	456,713	25,970[3]	482,683	466,088	16,595
Pricing and Selling Timber	264,829	3,000[4]	267,829	224,460	43,369
Compliance and Enforcement	28,903	0,000	28,903	29,743	(840)
Executive and Support Services	56,078	(477)[5]	55,601	62,632	(7,031)
Total	**806,523**	**28,493**	**835,016**	**782,923**	**52,093**
Full-time Equivalents (FTEs)					
Forest and Range Resource Management	1,786	0,000	1,786	1,795	(9)
Pricing and Selling Timber	1,073	0,000	1,073	1,073	0,000
Compliance and Enforcement	292	0,000	292	292	0,000
Executive and Support Services	572	(6)[5]	566	566	0,000
Total	**3,723**	**(6)**	**3,717**	**3,726**	**(9)**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Forest and Range Resource Management	11,651	9,408[6]	21,059	24,145	(3,086)
Pricing and Selling Timber	1,800	43.989[6]	45,789	45,636	153
Compliance and Enforcement	1,548	0,000	1,548	41	1,507
Executive and Support Services	5,672	0,000	5,672	4,246	1,426
Total	**20,671**	**53,397**	**74,068**	**74,068**	**0,000**

Other Financing Transactions ($000)[3]					
Forest and Range Resource Management (Roads)					
Disbursements	4,800	0,000	4,800	0,000	4,800
Pricing and Selling Timber (BC Timber Sales Inventory Adjustment)					
Disbursements	19,200	49,720[7]	68,920	68,920	0,000
Total Disbursements	**24,000**	**49,720**	**73,720**	**68,920**	**4,800**

[1] The amounts in the "Estimated" column correspond to the *Estimates* as presented to the legislative assembly in February 2008.

[2] "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies

[3] **Forest and Range Resource Management** – Statutory Appropriation of $25.970M for increased fire activity during the 2008 fire season.

[4] **Pricing and Selling Timber** - $3.000M adjustment for BC Timber Sales for Forest Investment funding.

[5] **Executive and Support Services** –$.477M (and 6 FTE's) transferred to the Ministry of Community and Rural Development and the Ministry of Housing and Social Development due to the 2008 government reorganization.

[6] **Capital** - Forest and Range Resource Management - $53.397M for accounting change for forest service roads.

[7] **Other Financing Transactions** – Additional cash requirement for BC Timber Sales for inventory adjustment.

Explanatory Comments

The majority of the variance in Pricing and Selling Timber is due to a BC Timber Sales accounting change which resulted in a surplus of $50.418M to the program. The remaining variance in Pricing and Selling Timber and the other core business areas reflect management of expenditures between the core businesses and the distribution of higher than anticipated corporate costs.

The Ministry over utilized FTEs by approximately nine FTEs, the result of the active fire season and increased Mountain Pine activities.

A major accounting change in 2008/09 was the accounting treatment of forest service roads for the Ministry and BC Timber sales. Industrial forest service roads were originally reflected as financing transactions, and upgrades to community access roads were originally reflected as operating funds, however the Ministry was directed to amend those expenditures to be capital expenditures. These change resulted in additional capital authorizations to the Ministry in the amount of $53.397M.

Forest Practices Board

The Forest Practices Board is an independent watchdog for sound forest and range practices in B.C.'s public forests and rangelands. It informs both the British Columbia public and the international marketplace of forest and range licensees' performance in carrying out sound practices and complying with legal requirements. It also ensures that resource ministries are appropriately monitoring and enforcing forest and range practices legislation.

The Board audits tenure holders and government ministries for compliance with forest practices legislation; carries out special investigations and issues reports as appropriate; investigates concerns and complaints from the public; and participates in appeals to the Forest Appeals Commission. The Board's mandate is provided by the *Forest and Range Practices Act* and the *Wildfire Act.*

While the Board operates independently from the Ministry of Forests and Range, its budget vote is the responsibility of the Ministry. The Board independently reports its accomplishments and priorities through an annual report found at www.fpb.gov.bc.ca.

Forest Practices Board Resource Summary Table

Forest Practices Board	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Total	3,808	0	3,808	3,807	(1)
Full-time Equivalents[1] ($000)					
Total	27	0	27	22	(5)
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Total	125	0	125	125	0

[1] Actual consumption of full-time equivalent positions was less than estimated because of vacancies and staff leave of absences.

Hyperlinks to Additional Information

Forests and Range

The legislation which is administered by the Ministry of Forests and Range can be accessed at: www.for.gov.bc.ca/tasb/legsregs/comptoc.htm

More information on the Forest Investment Account can be accessed at: www.for.gov.bc.ca/hcp/fia

More information the Forestry Roundtable: www.for.gov.bc.ca/mof/Forestry_Roundtable

A glossary of forest and range terms: www.for.gov.bc.ca/hfd/library/documents/glossary

Crowns, Agencies, Boards and Commissions associated with the Ministry of Forests and Range:

Crowns:

Forestry Innovation Investment Ltd. and FII Consulting (Shanghai) Company Ltd. (subsidiary): www.bcfii.ca

Major Commissions and Boards:

Forest Appeals Commission: www.fac.gov.bc.ca
Forest Practices Board: www.fpb.gov.bc.ca

Ministry Contact Information

For more information on the British Columbia Ministry of Forests and Range, contact:

Headquarters
Strategic Policy and Planning Branch
PO Box 9515 Stn Prov Govt
Victoria BC V8W 9C2
Telephone: 250 35[illegible]-7900

Wildfire Management Branch Headquarters
Telephone: 250 387-5969

BC Timber Sales Headquarters
Telephone: 250 387-4683

Coast Forest Region
2100 Labieux Road
Nanaimo BC V9T 6E9
Telephone: 250 751-7001

Northern Interior Forest Region
5th Floor, 1011 Fourth Avenue
Prince George BC V2L 3H9
Telephone: 250 565-6100

Southern Interior Forest Region
515 Columbia Street
Kamloops BC V2C 2T7
Telephone: 250 828-4131

Or visit our website at: www.gov.bc.ca/for

Part B: Integrated Land Management Bureau

Highlights of the Year

Crown Land Tenures

- Issued over 1,800 tenures under the Land Act during 2008/09, thereby providing access to Crown land for many uses including commercial, recreational and industrial activities that support government priorities and strengthen the provincial economy while respecting environmental and social values. Examples included a nominal rent tenure for sewage treatment plant purposes with the Takla Lake Band, selling Crown land to support the Prince George airport expansion and expanding a gravel operation tenure to help sustain a Mackenzie B.C. business and benefit the local economy.

Resource Management Coordination Project

- The Bureau worked with other provincial natural resource agencies on improving resource management program service delivery by coordinating compliance and enforcement activities as part of the Resource Management Coordination Project. Together the agencies addressed issues of highest risk to the Crown land base such as abandoned structures, unauthorized tenures, site contamination, waste and environmental damage.

FrontCounter BC

- Officially launched its Virtual FrontCounter BC e-licensing application, increasing the number of ways clients can access FrontCounter BC natural resource services. FrontCounter BC also recorded its 25,000th encounter since begining operations in 2005/06.

Independent Power Projects

- During 2008/09 the Bureau managed a portfolio of over 1,100 proposed Independent Power Producer projects and successfully completed 413 decisions related to wind, water and ocean energy projects, allowing the projects associated with these decisions to move forward.
- Authorizations were given for the $39 million Upper Mamquam waterpower project near Squamish that will generate enough electricity to serve almost 10,000 homes.
- Authorizations for a First Nation owned power project in Atlin will result in a saving of more than a million litres of diesel fuel annually, reduction of greenhouse gas emissions by 4,500 tonnes, and significant economic benefits to Atlin through a 25 year contract between BC Hydro and the First Nation.

Land Use Planning

- After several years of government-to-government negotiations, the Province and the Lil'wat Nation signed a historic land-use agreement that encompasses just under 800,000 hectares and completes the Sea-to-Sky Land and Resource Management Plan. The plan demonstrates the Province's commitment to hosting a sustainable Olympic and Paralympic Winter Games in 2010 and reflects the commitment to create a strong partnership with an integral member of the 2010 four host First Nations.

First Nations Initiatives

- The Bureau partnered with the Ministry of Energy, Mines and Petroleum Resources on First Nations consultation issues relating to mining. The Bureau began negotiations on six economic and community development agreements aimed at sharing resource revenues from major mine sites with First Nations. The Bureau led the design of improvements to mining-related First Nations consultation processes in several areas (aggregate, exploration notice of work, and for mines fallng under the environmental assessment review process).
- The Province provided funding to support for the expansion of the Nanwakolas Clearinghouse pilot project and development of a Strategic Engagement Agreement. The Nanwakolas Clearinghouse acts as a single window for First Nations referrals related to natural resource applications in the Nanwakolas Council's territories on Northern Vancouver Island and the mainland. Eight coastal First Nations are part of the Nanwakolas Council.

- The Bureau's new First Nations Initiatives Division reached out to over 130 bands and 19 Tribal Councils during 2008/09 regarding government's willingness and intention to improve consultation processes.
- The Bureau provided Aboriginal law and cultural awareness training for over 1,000 government employees, improving government's ability to support the New Relationship.

Integrated Land and Resource Information

- Provided easier access to land and resource information and application services including Virtual FrontCounter BC and provided public access to more than 800 natural resource data sets in tools like Google Earth/Virtual Earth.
- Signed partnership agreements for the Digital Road Atlas with partners such as BC Stats, BC Ambulance Service, Elections BC, RCMP, and the Vancouver Island Health Authority.
- Expanded the e-licensing program to include archaeology applications and park use permits in addition to the angling licenses made available electronically the previous year.
- Entered into an Enterprise License Agreement with ESRI Canada and ESRI Inc. so that the Province now has the ability to deploy spatial information technologies across all ministries for a single price resulting in significant savings for government.
- Collaborated with two dozen agencies to provide ortho photo services to the public at a reduced cost. This a key element in the creation of a geospatial legacy of the 2010 Olympic and Paralympic Winter Games for Metro Vancouver and it is likely that this first-of-its-kind cost sharing model will lead to similar initiatives elsewhere in BC.
- Established the GeoBC Service Desk to provide a single-point-of-contact for GeoBC applications and services. Helpdesk services are provided for approximately 140 natural resource applications.
- GeoBC entered into 10 agreements with a variety of organizations to broaden the use of provincial geographic information and GeoBC services. One example was an agreement with Emergency Management BC for emergency preparedness and emergency response.

Species-at-Risk Coordination

- Recovery plans for mountain caribou and spotted owl were successfully completed by the Bureau and in October 2008 the responsibility for implementation of these plans was transferred to the Ministry of Environment.

Purpose of the Bureau

Crown land in British Columbia covers more than 90 per cent of the province. This publicly owned land and its natural resources are major contributors to the economic, social and environmental health of the province. The Integrated Land Management Bureau plays a key role in facilitating efficiently coordinated access to both Crown land and its resources, furthering government's commitment to a strong economy, vibrant communities, environmental stewardship and the development of a strong, mutually supportive relationship with First Nations.

The Integrated Land Management Bureau provides an array of services to the public and to other government agencies involved in using and managing Crown land and natural resources. The Bureau's clients range from those seeking access for business, community, recreational or other purposes to those interested in the effective environmental stewardship of land and resources. The Bureau assists clients in many ways, including: co-ordinating access to tenures, permits and licences; Crown land sales and grants; coordinating multi-agency consultation and engagement agreements with First Nations on land and resource issues including implementation of land use planning agreements; and managing and providing land and resource geographic information.

Established in 2005, the Bureau was accountable to the Minister of Agriculture and Lands until June 2009, when that accountability was transferred to the Minister of Forests and Range. The Bureau is uniquely positioned in Government owing to the fact that its services to the public are provided on behalf of numerous provincial ministries. The Bureau is guided by a Board of Directors which sets direction and priorities, and is made up of the deputy ministers of the following six ministries: Aboriginal Relations and Reconciliation; Agriculture and Lands; Energy, Mines and Petroleum Resources; Environment; Forests and Range; and Tourism, Culture and the Arts. The Bureau also provides corporate leadership on behalf of government towards the sustainable management of natural resources and co-ordination of related information. In providing this leadership, the Bureau is committed to following its vision of delivering corporate solutions through collaboration.

In addition, the Bureau has nine regional FrontCounter BC offices, providing a single window access point for over 100 different types of authorization applications related to natural resources on behalf of the ministries and other agencies it serves[2]. FrontCounter BC services cover this wide range of natural resource authorizations while integrating Crown land use, planning and provision and analysis of related information. In a similar capacity, the Bureau's GeoBC (www.geobc.gov.bc.ca) provides a single window to the Province's geographic information, tools, products and services.

In effect, the Bureau is the primary provincial source for authoritative land, resource and geographic data and application services.

The Bureau's mission and vision can be found at the following link:
ilmbwww.gov.bc.ca/about.html

[2] The ministries have a mandate to adjudicate non-*Land Act* natural resource authorizations. They review and make decisions on the applications. The Bureau tracks the progress of applications and communicates the results to the client. In the case of applications for new and replacement land tenures under the *Land Act* or Crown land sales, the Bureau also adjudicates these applications on behalf of the Ministry of Agriculture and Lands.

Strategic Context

Listed below are several key strategic issues that impacted the performance of the Bureau during 2008/09. In particular was the need to respond to the addition of a new line of business involving Bureau coordination of First Nation consultation and engagement with respect to natural resources on behalf of the Government. The Bureau addressed these issues by following strategies expanded upon in the Report on Performance section.

Engagement of First Nations: The coordination of First Nations consultation and engagement was a key driver for the Bureau. Capacity to participate in consultation and engagement processes was an ongoing issue for both First Nations and the Province. The First Nations have expectations for mechanisms that will reduce referral workloads, ensure legally required consultations occur in as timely a manner as possible and provide for enhanced ability to communicate their interests to government.

Meeting Client Service Demands: Client service work performed by FrontCounter BC was challenging as some natural resource use applications were more complex than others and involved lengthy First Nations consultations, or complex adjudications for non-*Land Act* tenures by partner agencies. The economic boom in the first part of the year created a backlog of natural resource applications, which combined with a staffing shortfall, had a negative effect on service levels and related performance measures. Another challenge for FrontCounter BC was to continue to maintain a successful coordination role while meeting the increasing demand for its services by other agencies and ministries.

*Meeting Technological Changes and the Increasingly Sophisticated Needs of Client*s: Meeting citizens' expectations and increased demand while also staying current with rapidly changing technology was a huge challenge. Current, reliable and authoritative information is critical for resource development, emergency response, community planning and First Nations treaty development. Managing client expectations, setting priorities and coordinating information sources across government, and within available resources, was an ongoing Bureau priority.

Climate Change: With the challenge of a world economic downturn in 2008/09, together with the continuing effects of climate change and fluctuating oil prices, there were increasing demands for alternative forms of energy. As a consequence, the Province managed an increase in the number of independent power producer project applications on Crown land. The Bureau began to coordinate the development of independent power projects to support the British Columbia Energy Plan and climate change initiatives.

Report on Performance

Performance Plan Summary Table

Goal 1:Citizen-centred delivery of natural resource applications, Crown land availability and information services For greater detail see pages 38 to 41	2008/09 Target	2008/09 Actual
1.1 Service excellence for clients seeking natural resource information and authorizations Client satisfaction as determined by client survey	80%	76% SUBSTANTIALLY ACHIEVED
1.2 Excellence in building partnerships with local governments and First Nations Number of partnerships and/or agreements with First Nations and local governments undertaken to make Crown land available for community development and/or facilitate greater involvement of First Nations in land and resource development	30	30 ACHIEVED
1.3 Provision of FrontCounter BC services in accordance with service level agreements with partner agencies Percentage of natural resource applications prepared for adjudication that are processed under agreed turnaround times with other agencies	90%	69% NOT ACHIEVED
Goal 2: Sustainable natural resource management through streamlined inter-agency First Nation coordination, planning and decision-making For greater detail see pages 41 to 43	**2008/09 Target**	**2008/09 Actual**
2.2 Excellence in coordinating multi-agency engagement with First Nations on land and resource management Number of strategic engagement agreements reached with First Nations	6	0 NOT ACHIEVED
Goal 3:Integrated land and resource information For greater detail see pages 44 to 45	**2008/09 Target**	**2008/09 Actual**
3.1 Excellence in the provision of provincial land and resource information services to (i) clients external to government and (ii) internal clients Percentage growth in government and citizen access to corporate land and resource geographic information	20% average increase over 2007/08 base	297% increase ACHIEVED

Goals, Objectives, Strategies and Performance Results

Goal 1: Citizen-centred delivery of natural resource applications, Crown land availability and information services

The Bureau offers single-point-of-contact service to its FrontCounter BC clients who seek access to natural resources via permits, licenses, tenures, Crown land sales and grants and to obtain *Land Act* adjudications.

Objective 1.1: Service excellence for clients seeking natural resource information and authorizations

The convenient, multiple access service provided by the Bureau's FrontCounter BC has proven to be a very effective and efficient method of ensuring its clients receive accurate, up-front information, full disclosure of the steps and costs to proceed, reduced turnaround times between agencies and a more streamlined application process.

Strategies

- Provide effective pre-application and application completion services to customers and ministry clients.
- Support small businesses which rely on Crown land and resources.
- Advance First Nations' values in the administration of Crown land and resources.
- Coordinate the development of independent power projects to support BC Energy Plan and climate change initiatives.

Performance Results

Performance Measure	2006/07 Actual	2007/08 Actual	2008/09 Target	2008/09 Actual
Client satisfaction rating as determined by client survey.	65%[1]	71%	80%	76% SUBSTANTIALLY ACHIEVED

Data Source: FrontCounter BC Client Survey

[1] This figure was based on results from the Kamloops FrontCounter BC office pilot project conducted in the summer of 2006.

Discussion of Results

This performance measure is used to gauge how well the customers of the Bureau's FrontCounter BC liked the services offered at the nine regional offices and/or through access to online FrontCounter services. The Bureau's ambitious target for 2008/09 reflects how crucial having satisfied clients is to a client service agency like the Bureau. New strategies to improve application processing and turnaround times introduced this year are expected to continue to improve the customer satisfaction rating. Satisfaction ratings have significantly improved from 2006/07 as indicated by the stable, continuing upward trend from the baseline year.

Objective 1.2: Excellence in building partnerships with local governments and First Nations

Building partnerships with local government and First Nations in support of community development opportunities are a priority of the Bureau. Working with these partners, the Bureau makes Crown land available for such things as affordable housing projects and land and resource projects that support both the Province's Energy Plan and Climate Change Action Plan.

Strategies

- Build efficient and timely land and resource development consultation and accommodation mechanisms with First Nations.
- Provide effective and efficient administration of Crown land sale partnerships with First Nations and communities.

Performance Results

Performance Measure	2008/09 Target	2008/09 Actual
Number of partnerships and/or agreements with First Nations and local governments undertaken to make Crown land available for community development and/or facilitate greater involvement of First Nations in land and resource development.	30	30 ACHIEVED

Data Source: Free Crown Grants and First Nation partnerships

Discussion of Results

By achieving this target, the Bureau continues to demonstrate progress in assisting First Nations and local governments by making Crown land available for community development projects such as affordable housing, commercial businesses, fire halls and recreation facilities while respecting social and environmental values.

Objective 1.3: Provision of FrontCounter BC services in accordance with service level agreements with partner agencies

Service agreements with partner agencies promote timely and efficient turnaround times for natural resource authorizations and permits and ensure that guidelines aimed at promoting balance, respect for environmental values, transparency and other factors are met. Timely application processing for land and resource applications is critical, particularly for the business community.

Strategies

- Improve service to client agencies by meeting or exceeding performance targets.
- Expand FrontCounter BC services to customers and client agencies by facilitating improved business processes, developing a "Virtual FrontCounter" and encouraging client agencies to adopt higher tier services.

Performance Results

Performance Measure	2007/08 Actual	2008/09 Target	2008/09 Actual
Percentage of natural resource applications prepared for adjudication that are processed under agreed turnaround times with other agencies.	76%	90%	69% NOT ACHIEVED

Data Source: FrontCounter BC Authorization Tracking System

Discussion of Results

This measure gauges FrontCounter BC's ability to assist businesses and individuals in preparing applications for natural resource use authorizations, streamlining the process so that less time is required by partner agency adjudication staff to review and decide on applications. During the first half of the year, while the economy was booming, there was a much higher number of applications, resulting in a large backlog, negatively impacting service levels. Also, sufficient staff was not in place initially to achieve service level agreements. The Bureau's Board of Directors recognized this shortfall and approved 25 temporary assignment positions as part of an inter-agency cross training and development initiative funded by partner agencies to be initiated in the spring of 2009. This will help close the resource gap resulting in improved turnaround times.

Goal 2: Sustainable natural resource management through streamlined inter-agency First Nation coordination, planning and decision-making

The Bureau continued to use land and resource planning to seek a balance between competing land uses, incorporate the values and interests of First Nations, reduce conflict and ensure sustainability of the natural environment and economy. It also sought to further the New Relationship with First Nations by implementing a cross-ministry coordination role on land and resource issues.

Objective 2.1: Government's commitments to finalize strategic land use decisions fulfilled

The Bureau worked towards achieving this objective by finalizing the Province and Lil'Wat First Nation Land Use Agreement, implementing approved land use plans such as those for the central and north coasts and completing the related ecosystem-based management system.

Strategies

- Facilitate effective implementation and revision of approved strategic land use plans with First Nations.
- Lead regionally based Inter-Agency Management Committees and First Nation Consultation teams to optimally coordinate First Nation involvement and government interests in the management of provincial natural resources.
- Improve corporate business relationships by supporting cross agency collaboration, corporate referral approaches and improved government engagements with First Nations.
- Meet corporate legal obligations through the implementation of treaty and legal agreements.

Objective 2.2: Excellence in coordinating multi-agency engagement with First Nations on land and resource management

In pursuing this objective, the Bureau underwent an internal business shift in order to accommodate its new role of coordinating First Nations' engagement and consultation on behalf of natural resource agencies.

Strategies

- Coordinate engagement with First Nations in government-to-government negotiations when developing strategic engagement and consultation agreements.
- Coordinate provincial First Nation consultation and accommodation on land and resource management.

Performance Results

Performance Measure	2008/09 Target	2008/09 Actual
Number of strategic engagement agreements reached with First Nations	6	0 NOT ACHIEVED

Data Source: Integrated Land Management Bureau

Discussion of Results

This measure is designed to gauge the progress the Bureau is making with respect to coordinating multi-agency consultation, accommodation and strategic engagement agreements with First Nations on land and resource management. The target for this performance measure had been forecasted before the Bureau's First Nations Initiative program was created and before the program's performance plan was initiated. The program was established during the year and became fully functional in January, 2009. A better indication of the progress made is that during

2008/09, the Bureau achieved 10 Strategic Engagement Agreement mandate approvals from Government and then initiated discussions. In addition, the Bureau has supported the Ministry of Energy, Mines and Petroleum Resources in implementing 10 mandates for revenue sharing with First Nations by leading their negotiations for Economic and Community Development Agreements. The Bureau has also achieved success in providing support for the Transformative Change Accord, solidified its role as coordinator of Government's consultation with First Nations on natural resource issues and made positive steps in working towards achieving certainty on the land base.

Objective 2.3: Approved species recovery plans implemented

The Bureau worked with partner agencies to facilitate and coordinate strategies to recover broad-ranging species-at-risk, while providing certainty for those wishing to invest in Crown land activities. During the year, the organizational unit assigned to work on coordinating the implementation of these plans was transferred from the Bureau to the Ministry of Environment. A summary of the unit's progress while still with the Bureau can be found in the Highlights of the Year section of this report.

Strategies

- Coordinate and facilitate corporate implementation of government decisions on northern spotted owl and mountain caribou.
- Continue coordinating provincial government involvement in federally-led marbled murrelet recovery plan development.
- Provide support for the Ministry of Environment in the coordination of the predator control strategy and the caribou augmentation strategy.

Goal 3: Integrated land and resource information

The Bureau plays a pivotal role in delivering provincial geographic information to both the public and private sector, helping provide a more balanced basis for land and resource management decision-making.

Objective 3.1: Excellence in the provision of provincial land and resource information services to (i) clients external to government and (ii) internal clients

This objective concerns the importance of providing the best and most accurate land and resource information to clients seeking geographic knowledge for their personal or business decisions.

Strategies

- Expand government clients to include all ministries using geographic information by providing infrastructure, expertise and corporate leadership in the provision of spatial information services.
- Develop corporate information and data management tools for government.
- Add value to Bureau clients through facilitating and delivering effective products and services across the province.

Performance Results

Performance Measure	2007/08 Baseline	2008/09 Target	2008/09 Actual
Percentage growth in government and citizen access to corporate land and resource geographic information.	17,300 sessions and two million hits per month[1]	20% average increase over 2007/08 base	297% increase ACHIEVED

Data Source: GeoBC and Web Map Services

[1] The baseline consists of an average taken from the number of sessions that users have accessed the GeoBC Gateway main page and key corporate tools, plus the number of hits recorded through accessing the Web Map Service. A session is defined as when a user has accessed the following corporate tools providing cross ministry information contained within GeoBC: iMapBC, Integrated Land and Resource Registry, Distribution Service and Base Map Online Store.

Discussion of Results

Over the last few years there has been a tremendous growth in the usage of the GeoBC Gateway, applications and geographic warehouse by the general public and other government agencies. The trend continued during 2008/09, mostly because of the advancement in technology, higher levels of citizens' expectations and knowledge and improved access to the information in the Bureau's geographic warehouse. The warehouse is the corporate repository for integrated land, resource and geographic data that supports a variety of business requirements for the ministries, other government agencies and the public.

Report on Resources

Resource Summary 2008/09 – Integrated Land Management Bureau

The Resource Summary table below outlines the expenditures by core business area. The Integrated Land Management Bureau operates under its own vote within the Ministry of Forests and Range (see Part A) as specified in the *Estimates*. In Fiscal 2009/10, Species at Risk Coordination has been transferred to the Ministry of Environment, and is presented in the Annual Service Plan Report for that ministry.

	Estimated[1]	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Regional Operations [2]	33,113	1,582	34,695	35,439	744
GeoBC [2]	22,129		22,129	20,094	(2,035)
Bureau Management	9,552	2,500	12,052	13,343	1,291
Total	**64,794**	**4,082**	**68,876**	**68,876**	**0**
Full-time Equivalents (FTEs)					
Regional Operations [2]	340		340	356	16
GeoBC [2]	155		155	144	(11)
Bureau Management	19		19	19	
Total	**514**		**514**	**519**	**5**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Regional Operations	135		135	314	179
GeoBC	3,889		3,889	4,309	420
Bureau Management	2,472		2,472	1,360	(1,112)
Total	**6,496**		**6,496**	**5,983**	**(513)**

1 The amounts in the "Estimated" column correspond to the *Estimates* as presented to the legislative assembly in February 2008.

2 The "Estimated" and "Actual" amounts include a restated amount for Species at Risk Coordination, a portion of which was transferred to the Ministry of Environment in fiscal 2009/10.

Comments and Explanations

Operating Expenditure Variances

Other Authorizations includes the following amounts charged against the Contingencies (All Ministries) and New Programs vote: $2.5 million for work with First Nations relating to Ecosystem Based Management for North Coast / Central Coast Land Use Plans, and $1.6 million under Cabinet Committee on New Relationship Coordination.

Significant variances of actual expenditures exceeding program budgets include $0.8 million due to First Nations New Relationships initiatives (Regional Operations) and $1.3 million in compensation costs attributable to the creation of new Biodiversity Mining Tourism Areas. These variances are offset by $2.0 million in contract under-expenditures in GeoBC.

Overall, the Integrated Land Management Bureau vote was fully spent with no variance due to approved contingencies access.

Capital Expenditure Variances

The Bureau's capital budget variance is due to general underspending in systems development, leased vehicle renewals, and tenant improvements.

Recoveries and Revenue

Through partnerships and other arrangements with various organizations, the Bureau provided services and then recovered some or all of its costs. The recoveries totaled $18.0 million in 2008/09. Principal items included $5.9 million in funding from the Forest Investment Account for land and resource-use planning and information services and $8.4 million from Crown Land Administration in the Ministry Operations Vote for regional adjudication services in Regional Operations.

The Bureau also collected revenues of about $0.2 million from a number of sources, including map and air photo sales.

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